



DEFENSE SECURITY COOPERATION AGENCY

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MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE – INDIANAPOLIS
OPERATIONS
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY
SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Security Assistance Management Manual Policy Memorandum 22-58, Clarification of Minimal-Dollar Value Lines on Foreign Military Sales and Building Partner Capacity Cases [SAMM E-Change 593]

References: (a) Defense Security Cooperation Agency Policy Memorandum 20-62, Clarification of Zero-Dollar Value Lines on Foreign Military Sales (FMS) and Building Partner Capacity (BPC) Cases”, November 13, 2020
(b) Defense Security Cooperation Agency Policy Memorandum 20-37, “Security Assistance Management Manual (SAMM) Exception to Policy (ETP) Standardization Process”, July 6, 2020

This memorandum provides clarifying guidance for minimal-dollar value lines in the Security Assistance Management Manual, Chapter 6 (Foreign Military Sales (FMS) Case Implementation and Execution) for Foreign Military Sales and Building Partner Capacity (BPC) Cases. Specifically, this policy identifies exceptions to the general prohibition against the use of minimal-dollar value lines on FMS and BPC cases that will not require the Implementing Agency (IA) to submit a request for an exception to policy (ETP) provided in references (a) and (b). This memorandum is effective immediately.

The IAs are not authorized to create case lines with a minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) for the sole purpose of serving as a placeholder for requirements. Furthermore, lines with a minimal-dollar value should be deleted through the LOA amendment process unless the line is being deleted for case closure. A modification may be used to delete these lines for case closure as stated in SAMM Table C6.T8. Modification Requirements.

There are some exceptions to this general prohibition where DSCA will not require the IA to submit a formal request for an ETP. These exceptions are as follows: (1) the line is associated with the Euro-NATO Joint Jet Pilot Training Program; (2) the line is for Excess Defense Articles grants under the Foreign Assistance Act of 1961; (3) the line is for delivery or export of classified software when the development costs are on other lines; (4) the minimal-dollar value line remains on a BPC case where unused funds were reprogrammed for other BPC program priorities; (5) the line includes defense articles or defense services redirected from and funded by another BPC case; and (6) minimal-dollar value training lines for BPC cases for the purpose of student accounting in Defense Security Assistance Management System - Training Module for congressional reporting purposes.

For all other circumstances warranting a minimal-dollar value line, the IA must request and obtain an ETP to maintain any case line at a minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)).

The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual (SAMM) at <https://samm.dsca.mil>.

If you have questions on this memorandum, please contact Ms. Wendy Pouliot, DSCA OBO/FPRE/FP, (571) 385-8131 or email: wendy.pouliot.civ@mail.mil.

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Date: 2022.08.15 12:14:00 -04'00'

J. Aaron Harding
Chief Operating Officer and Chief Financial Officer
Defense Security Cooperation Agency

Attachment:
As stated

Security Assistance Management Manual E-Change 593

Clarification of Minimal-Dollar Value Lines on Foreign Military Sales and Building Partner Capacity Cases

1. Update SAMM Section C6.7.5.2. to:

C6.7.5.2. Minimal-Dollar Value Lines on LOAs. Minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) lines created on a case for the sole purpose of serving as a placeholder for requirements or tracking purposes is not authorized. An Exception To Policy (ETP) must be requested for any lines that must remain on a case at minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) due to audit or other transactional requirements. If the minimal-dollar value line is the only line on the case, the case should go to closure. When a case is closing at minimal-dollar value, an ETP is required to ensure the appropriate amount of FMS Administrative funds is collected or the case is approved for zero FMS Administrative funds collected.

2. Change SAMM C6.7.5.3. to:

C6.7.5.3. Request for FMS and BPC Exceptions. There are several exceptions to the general prohibition on the use of minimal-dollar value lines (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)). IAs are not required to submit an exception to policy (ETP) if one of the situations listed below applies to the relevant FMS or BPC case. Otherwise, the IA must request and receive an approved ETP for any lines that must remain on a case at minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) due to audit or other transactional requirements. Requests for an exception to policy should be submitted through the ETP mailbox and will be provided to DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)) for decision.

- a. The line is associated with the Euro-NATO Joint Jet Pilot Training Program.
- b. The line is for Excess Defense Articles grants under the Foreign Assistance Act of 1961.
- c. The line is for classified software when the development costs are on other lines.
- d. The minimal-dollar value line remains on a BPC case where unused funds were reprogrammed for other BPC program priorities.
- e. The line includes defense articles or defense services redirected from and funded under another BPC case. For a case line that includes defense articles or services redirected from another BPC case, the line value should reflect \$1 and the line note should include the original case and line, quantity, item description, and location where these items are being redirected.
- f. Minimal-dollar value training lines for BPC cases for the purpose of student accounting in Defense Security Assistance Management System - Training Module for congressional reporting purposes. The two common situations for creating minimal-dollar value training lines are 1) for regional BPC programs where training is funded through a separate BPC case or another line on the same regional BPC case and 2) when a BPC case that includes the provision of equipment has training costs embedded on the case line for such equipment.